



BULLETIN

Volume 9, Issue 1

September, 2003

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Risk Management Division

Mission Statement

To protect the assets of the State of North Dakota - its people, property, and financial resources - so that the State can continue to meet its obligations to its citizens.

\$205,283 of Potential \$269,878 Discount Claimed

A review of the Risk Management Fund contribution discount applications has been completed and the statement for your entity's contribution for FY '04 has been mailed. Those amounts are due upon receipt of the statement.

This is the third year of the discount program and we are pleased to report that applications continue to grow - 51 applications this year, an increase of 5.

Of the 51 entities applying for a discount, 26 qualified for the full 10%. The total discounted savings was \$205,283.

Congratulations to those of you who qualified for a discount; especially to those who qualified for the full 10%.

The benefits to qualifying for the discount is two-fold. The primary benefit is that you have established proactive loss control measures that result in reduced exposures to loss. In addition, your entity realizes the savings of a reduced contribution to the RM Fund.

We look forward to receiving more discount applications for FY'05 and to

rewarding more 10% discounts.

Remember, the application for the FY'05 discount is due May 1, 2004. However, the time to start working on next year's discount requirements is now.



Overall, we have seen vast improvements in the discount program. However, there remains to be a lack in the application process for documenting practices that are in place. Remember, the easiest way to remedy the documentation issue is to use your entity's Loss Control Committee meeting minutes to report how you have addressed the various requirements.

See page 3 of our May, 2002 Bulletin for a schedule that, if

implemented, will provide adequate documentation of activities required by both the Risk Management Fund Contribution Discount Program and the Risk Management Workers Compensation Program Discount. The Bulletin and schedule can be found on our web site.

For additional tips on conquering the documentation shortfalls, see the Loss Control Tools section on pages 2 through and 4 of this Bulletin.

... the time to start working on next year's discount requirements is now.



Update

Web site:
www.state.nd.us/COG



Loss Control Tools

First, we are pleased to announce that Janell Quinlan of the Division of Emergency Management has accepted the position of ND COG/COOP Project Manager which means Janell is devoting 100% of her time and talents to this process. The State is very fortunate to have her expertise leading our efforts.

The COG web site is up and running at www.state.nd.us/COG. Probably the most significant feature of the revised site is that it contains an intranet that is accessible only by state employees who are on the State's system. Currently the only item on that intranet is the LDRPS manual but it will be used in the future to post COG/COOP information that state employees need to know but should not be available to the general public.

The Project Pilot Team completed their initial meetings to direct the customization of the LDRPS. They have also completed their week long hands-on LDRPS training. In addition, a Strohl consultant met with representatives from ITD, DEM, DOT, and RM and, based on all of those events, Janelle, Larry Lee, Diane Laub, and Renae Heller are finalizing the customization of the LDRPS with the hope of getting it to the Project Pilot Team members in September so that they may begin building their plans.

Once the Project Pilot Team personnel have had an opportunity to work on inputting their plans into the revised LDRPS, we will bring them together for at least one more meeting to determine if we need to do further configuration to the

package before distributing it state-wide. Following that meeting, we will begin hands-on LDRPS training for the other State entities. The target date to begin that training is October, 2003. You will be contacted concerning your entity's scheduled training date.

As the Project Pilot Team began its work, and as more potential for using LDRPS was realized - including an ability to address the planning needs of North Dakota cities and counties - it was decided that the State should apply for a grant from the Federal Department of Homeland Security. On July 23, 2003 we were awarded a \$100,000 grant for 1) the purchase of additional equipment and software, 2) website development, and 3) additional concurrent user fees. With that grant we have:

- ✓ purchased and paid for 2 years of maintenance on an additional 15 LDRPS concurrent users which will enable better access to the program once the entities have been trained and begin to develop their individual plans;
- ✓ purchased one copy and paid for 2 years of the maintenance for the Business Impact Analysis Professional Web Server software package;
- ✓ paid for the development of the expanded COG web site; and
- ✓ purchased and paid for 2 years of administration support, hosting fee and disc storage fees of a server to host LDRPS.

Conquering the RM Fund Contribution Discount Program Documentation Shortfalls

Two criteria stand out as common areas that require further documentation.

Criteria #5: *Has your agency established policies and procedures to address: Fire, Natural Disaster, Severe Weather, Bomb Threats, Sexual Harassment, Workplace Violence, Hostile Work Environment, Substance Abuse, and Proper Internet/E-mail use in the workplace? Is there documentation that these policies are communicated to all employees annually and at the time of hiring?*

What Risk Management needs for documentation:

The form or format of the "documentation" is not critical. What is important is that (1) each policy is established by the agency and coordinated with the building manager, is implemented, and is specifically identified, (2) that a clear process is in place to communicate the policies to all employees annually, (3) that a clear process is in place to ensure compliance by all employees (that certain employees do not fall through the cracks, such as by not attending meetings or annual training), and (4) that a clear process is in place for compliance from each division or department of the entity.

As stated earlier, the cleanest or easiest way to provide this documentation is through the Loss Control

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Committee (LCC) Meeting Minutes. The criteria would be an agenda item, discussed and confirmed during the meeting, and recorded in the Minutes. If Risk Management reviews the Minutes and finds all of the necessary components of the criteria referenced, no further documentation will be needed for the discount application purposes. If further documentation is needed at a later date, such as the actual signatures for defense of a claim, Risk Management will know that the agency has it on file and it can be produced.

Criteria #8: *Has your agency/facility established, and your Loss Control Committee annually reviewed for adequacy, a Contingency Plan and a Records Management Plan?*

The focus of this criterion at this point is on documentation of the existence of a Records Management Plan. The Contingency Plan part of the criteria is a work in progress and will be given a closer look as the COG and COOP plans develop.

What Risk Management needs for documentation: Before getting into what documentation is necessary, we'd like to clarify what this criterion means and why it is part of the discount program. The Records Management Plan is commonly known as the "Records Retention Schedule," which is established through the Records Management Division of ITD. It is an important part of Risk Management primarily because of the importance of following proper retention or destruction of documents in the event of litigation. For that reason we developed a Destruction Hold Notice that comes into play when there is a claim or pending claim that warrants an agency to vary from an established records destruction plan.

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RMWCP UPDATE

PREMIUM DISCOUNTS – The applications for the RMWCP 10% premium discount program resulted in a total savings for State entities of \$299,869—up from \$296,194 last year. These savings are over and above the daily benefits of an active risk management program. Remember, next years revised discount program gives agencies an opportunity to receive a 15% reduction in their premium.

FLEX TRAINING - Our on-line training programs have been updated to help your entity meet its discount goals for next year. Two new programs have been added, one for Substance Abuse and an ergonomic program addressing Back Injuries. Thirty two agencies and 2,750 employees took advantage of on-line training last year. Remember, a list of your employees that completed the training is available on request.

DESIGNATED MEDICAL PROVIDER - This is a reminder that we need a list of employees from your entity who have elected to chose a DMP other than one of the providers that the State program has selected. This list must be forwarded to our office by Sept 30 to allow us to correctly identify those claims that are eligible for the \$150 deductible. An efficient method of providing this information is to down load a list of their employees from payroll and note



the employee's choice (if they have chosen a different DMP) next to their name. This also allows you to keep an updated list when employees are hired or leave employment. Should you have any questions on this requirement, please contact us.

CONCERNS ABOUT A CLAIM

- If you have concerns whether a claim may or may not be work related, please contact this office before sending a letter of concern or support for the claim to WSI. As always, if you are protesting the claim continue to check the appropriate area on the C2.

WORKERS COMPENSATION AND OCCUPATIONAL MEDICINE

According to industry estimates, the indirect costs of a workplace injury can be up to three times the medical and disability costs. An employer actively using an occupational health provider can see the following gains:

- A reduction in medical expenses of 29%;
- 14% fewer long term claims;
- A reduction in indemnity costs of 49%;
- 14 days average medical case closure.

Remember, the best way to reduce medical costs is by channeling an injured worker to the right provider, one possessing the right skills with a focus on returning the employee to work as quickly as possible.

Risk Management Division

Century Center

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CHECK IT OUT!!

Please check your address label.
Report any corrections to our office.

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Loss Control Tools

Again, the simplest way to provide documentation for this criterion is through the LCC Meeting Minutes. It would be sufficient for the entity's records retention coordinator to attend a LCC Meeting (if not already a member) and discuss the fact that the entity's Plan is in place and explain how compliance with the Plan is assured. That discussion would then be recorded in the Minutes. Or, assign a member of the LCC to check with the coordinator on compliance and report back to the LCC during the meeting. Risk Management does not need a copy of the Plan and will not review it for adequacy or compliance – we defer to Records Management Division's expertise.

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COG Update

On August 7, 2003 we were notified by DEM Director Friez of the preliminary approval of an additional \$200,000 grant to be used for agency training in the development of the State's COOP and COG plans. We are in the process of preparing a budget to document the need for these additional funds.

ITD has informed us that the COG/COOP falls under the definition of an ITD Large Project which means it must meet certain criteria, i.e., documentation, a reporting process to the Interim Legislative IT committee, and specific oversight. We are currently working with ITD to comply with those requirements.

Risk Management Division *Website Features*

Visit our website at www.state.nd.us/risk/ for standard and updated features including:

- ◆ Personnel e-mail and telephone directory
- ◆ Risk Management Manual
- ◆ Reporting Forms (following page 3.5-1 of the manual)
 - * Incident Report (SFN 50508)
 - * Notice of Claim (SFN 50552)
 - * Motor Vehicle Accident Report (SFN 51301)
 - * Destruction Hold Notice (SFN 52376)
- ◆ Facility Audit and Inspection Checklists (Page 4.3-1)
- ◆ Emergency and Disaster Procedures (Pages 4.5-1 through 4.6-5)
- ◆ Facility Use Agreement Form (Page 5.2-2)
- ◆ Waiver Forms (Pages 5.2-3 & 4)
- ◆ Risk Management Bulletins
- ◆ Discount Application Forms
 - * RM Fund (SFN 53424)
 - * RMWCF (SFN 53425)
 - * Designated Medical Provider (SFN 53758)